August 22, 2019

Roy A. Vitousek III
Direct Line: (808) 329-5811
Direct Fax: (808) 326-1175
E-mail: rvitousek@cades.com

Suzanne Case, Chairperson Board of Land and Natural Resources P. O. Box 621 Honolulu, Hawaii 96809

Notification of Completion of Construction and Request for Board Approval of Long-Term Rental of Property at Haena, Kauai, Identified as Tax Map Key No. (4) 5-9-005: 025

Owned by Dr. Matthew M. Malerich, CDUP KA-3509

Dear Ms. Case:

This office represents Dr. Matthew M. Malerich, owner of the property identified above located in Haena, Kauai. The Board of Land and Natural Resources approved construction of a single-family residence on the above-identified property pursuant to Conservation District Use Permit (CDUP) KA-3509 on October 23, 2009. The purpose of this letter is twofold: 1) to notify the Board and the Department of completion of the construction of the home and 2) to renew Dr. Malerich's request for the Board approval to rent the subject residence for one or more terms of no less than six (6) months. See attached letter dated July 13, 2016. The Director responded to the previous request on August 11, 2016, stating that the Department is willing to present the request to the Board but required evidence that construction of the home was complete. See attached letter date August 11, 2016.

Completion of construction of the single-family residence is evidenced by the enclosed documentation: a copy of the County of Kaua'i, Building Division's signoff on the final inspection on August 16, 2018, Project Inspection list, and a copy of the Affidavit of Publication filed with the Fifth Circuit Court on January 30, 2018.

Dr. Malerich is a practicing orthopedic hand surgeon in Bakersfield, California. He and his wife have owned another property on Kauai for many years and have vacationed on Kauai every year. Dr. Malerich intends to retire in a few years and, when he does, he intends to live in the home they have built at Haena. Until he retires, Dr. Malerich would like to be able to rent the home for one or more terms of no less than 6 months over the next five (5) years.

Condition 18 of CDUP KA-3509 states, "the Single Family Dwelling shall not be used for rentals or any other commercial purposes unless approved by the Board of Land and Natural Resources." Pursuant to condition 18 and the language of HAR § 13-5-42 (5), the Board has the discretion to approve rental use for a term of no less than 6 months. This is what the owner is requesting.

Suzanne Case, Chairperson August 22, 2019 Page 2

The basis of the owner's request is as follows.

- 1. There will be substantial costs associated with owning and maintaining this single-family residence. The owner pays substantial annual real property taxes, insurance, and other expenses.
- 2. The owner's professional schedule prevents occupancy of the home on a regular basis until he retires and there have been risks and problems associated with homes in this area being unoccupied for extended periods of time. There has been vandalism, theft, and deterioration of other properties in the area.
- 3. The owner submits that there is no adverse impact on the natural resources of the conservation district resulting from a <u>long-term</u> renter occupying the property as opposed to occupation by the owner. A person or family renting the property for a term of more than 6 months will use the home as the owner would use the home and will not engage in actions or activities that would adversely affect the resources of the conservation district.
- 4. The owner requests the authority to rent the home for one or more rental term of no less than 6 months during the next five (5) years. The owner does not have a pending rental agreement and has not advertised the property for rent. Having approval from the Board to rent the property for one or more terms of no less than 6 months during the next five years will allow the owner flexibility to rent the property on a long-term basis without having to come back to the Board to approve each rental contract.

Based on the foregoing, it is respectfully requested that the Board approve this request. If you have questions or require additional information, please contact me.

Very truly yours,

Roy A. Vitousek III for

CADES SCHUTTE

A Limited Liability Law Partnership

RAV/bah

encl.: July 13, 2016, request letter to BLNR August 11, 2016, letter from DLNR

County of Kaua'i Building Permit, Final Approval

Project Inspection list Affidavit of Publication

cc: Samuel J. Lemmo, Administrator, OCCL Matthew M. Malerich, M.D.

July 13, 2016

Roy A. Vitousek III Direct Line: (808) 329-5811 Direct Fax: (808) 326-1175 E-mall: rvitousek@cades.com

Suzanne Case, Chairperson Board of Land and Natural Resources P. O. Box 621 Honolulu, Hawaii 96809

Re:

Request for Board Approval of Long-Term Rental of Property at Haena, Kauai, Identified as Tax Map Key No. (4) 5-9-005: 025, Owned by Dr. Matthew M. Malerich, CDUP KA-3509

Dear Ms. Case:

This office represents Dr. Matthew M. Malerich, owner of the property identified above located in Haena, Kauai. There is a single-family residence located on the subject property which was permitted by the Board of Land and Natural Resources pursuant to Conservation District Use Permit (CDUP) KA-3509 approved on October 23, 2009. The purpose of this letter is to request the Board's authority for the owner to rent the subject residence for one or more terms of no less than six (6) months.

Condition 18 of CDUP KA-3509 states, "the Single Family Dwelling shall not be used for rentals or any other commercial purposes unless approved by the Board of Land and Natural Resources." Pursuant to condition 18 and the language of HAR § 13-5-42 (5), the Board has the discretion to approve rental use for a term of no less than 6 months. This is what the owner is requesting.

Dr. Malerich is a practicing orthopedic hand surgeon in Bakersfield, California. He and his wife have owned another property on Kauai for many years and have vacationed on Kauai every year. Dr. Malerich intends to retire in a few years and, when he does, he intends to live in the home they have built at Haena. Until he retires, Dr. Malerich would like to be able to rent the home for one or more terms of no less than 6 months over the next five (5) years.

The basis of the owner's request is as follows.

1. There will be substantial costs associated with owning and maintaining this single-family residence. The owner pays substantial annual real property taxes, insurance, and other expenses.

- 2. The owner's professional schedule prevents occupancy of the home on a regular basis until he retires and there have been risks and problems associated with homes in this area being unoccupied for extended periods of time. There has been vandalism, theft, and deterioration of other properties in the area.
- 3. The owner submits that there is no adverse impact on the natural resources of the conservation district resulting from a <u>long-term</u> renter occupying the property as opposed to occupation by the owner. A person or family renting the property for a term of more than 6 months will use the home as the owner would use the home and will not engage in actions or activities that would adversely affect the resources of the conservation district.
- 4. The owner requests the authority to rent the home for one or more rental term of no less than 6 months during the next 5 years. The owner does not have a pending rental agreement and has not advertised the property for rent. Having approval from the Board to rent the property for one or more terms of no less than 6 months during the next five years will allow the owner flexibility to rent the property on a long-term basis without having to come back to the Board to approve each rental contract.

Based on the foregoing, it is respectfully requested that the Board approve this request. If you have questions or require additional information, please contact me.

Very truly yours

Roy A. Vitousek III

for

CADES SCHUTTE

A Limited Liability Law Partnership

RAV/bah

cc: Samuel J. Lemmo

Matthew M. Malerich, M.D.

DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809 SUZANNE D. CASE CHARPERSON BOARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

> KEKOA KALUHIWA FIRST DEPUTY

JEFFREY T. PEARSON, P.E. DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
IDATINE AND OCEAN RICHERATION
IMPERATION CONSTRUCTS
COMMISSION ON WATER RISOURCE MANAGEMENT
CONSIGNATION AND RESOURCES FOR ORCEMENT
ENGINEERING
FORESTRY AND WITDLET
INSTORME PERSER WATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Correspondence: KA 17-10

AUG 1 1 2016

REF:OCCL:TM

Roy A. Vitousek III Cades Schutte 75-170 Hualalai Road, Suite B-303 Kailua-Kona, HI 96740

SUBJECT:

Request to Allow Long-Term Rental of a Single Family Residence Located at

Hā'ena, Kaua'i, TMK: (4) 5-9-005:025

Dear Mr. Vitousek:

The Department is in receipt of your correspondence regarding the subject matter. According to your information, your client owns a single family residence (SFR) that is located in the Conservation District Limited subzone. On October 23, 2009, the Board of Land and Natural Resources [Board] approved Conservation District Use Permit (CDUP) KA-3509 for the SFR subject to 21 conditions. Condition #7 of CDUP KA-3509 specifically states: That the single family dwelling not be used for rentals or any other commercial purposes unless approved by the Board of Land and Natural Resources.

Since obtaining this permit, the rules and regulations of the Conservation District noted as the Hawai'i Administrative Rules (HAR), Chapter 13-5 has been amended. HAR, §13-5-42 Standard conditions, notes any land use permitted within the conservation district is subject to standard conditions. Regarding residential commercial use, the standard condition has been amended to state: The single family residence shall not be used for rental or any other commercial purposed unless approved by the Board. Transient rentals are prohibited, with the exception of wilderness camps approved by the Board.

HAR, §13-5-2 defines transient rentals as the use of a single-family residence or structure for less than one hundred eighty consecutive days in exchange for compensation, including but not limited to monetary payment, services, or labor of employees.

Currently, the landowner is requesting to rent the residence for one or more terms of no less than 6-months over the next 5 years. The Department is willing to present this matter to the Board for consideration. Pursuant to HAR, §13-5-40 (1), a public hearing shall be required as the rental of the residence shall be considered a commercial use.



Correspondence: KA 17-10

Please notify the OCCL in writing when the residence is complete and has been cleared for occupancy. Should you have any questions regarding this correspondence, contact Tiger Mills of the Office of Conservation and Coastal Lands at (808) 587-0382.

Sincerely,

Suzanne D. Case, Chairperson

Department of Land and Natural Resources

C: OCCL KDLO

County of Kauai-Planning Dept.



COUNTY OF KAUA'I
BUILDING DIVISION
4444 RICE STREET
MO'IKEHA BLDG, SUITE 175
LIHU'E' KAUA'I, HAWAI'I 98786
PHONE: (808)241-4854

BUILDINGVARLUMINANS ELECTRICAL

Permit Type: BU	ILDING
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ELECTRICAL PERMIT-NEC 2008	ELECTRICAL ROUGH-IN SLAB	08/29/2016	APPROVED	08/29/2016	10
ELECTRICAL PERMIT-NEC 2008	ELECTRICAL ROUGH-IN WALL	08/30/2016	APPROVED	08/30/2016	10
FLOOD CERTIFICATION	FLOOD CERTIFICATION	07/24/2018	APPROVED	07/24/2018	10
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PLUMBING PERMIT-UPC 2008	PLUMBING ABANDONED IWW SYSTEM	03/28/2018	WAIVED	03/28/2018	10



STATE OF HAWAII

AFFIDAVIT OF PUBLICATION

IN THE MATTER OF TMK: 5-9-005-025

Mathew & Judith Malerich Owner(s)

) SS.

FILED

2018 JAN 30 PM 12: 23

5TH CIRCUIT COURT STATE OF HAWAII

DANETTE FUJII

CLERK____

City and County of Honolulu JAN 2 2 2018 Doc. Date: # Pages: Notary Name: COLLEEN E. SORANAKA First Judicial Circuit Affidavit of Doc. Description: **Publication** JAN 2 2 2018 Notary Signature Gwyn Pang being duly sworn, deposes and says that she is a clerk, duly authorized to execute this affidavit of Oahu Publications, Inc. publisher of The Honolulu Star-Advertiser, MidWeek, The Garden Island, West Hawaii Today, and Hawaii Tribune-Herald, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the aforementioned newspapers as follows: Honolulu Star-Advertiser times on: MidWeek 0 times on: The Garden Island times on: 01/13, 01/20/2018 Hawaii Tribune-Herald times on: West Hawaii Today 0 times on: Other Publications: 0 times on: And that affiant is not a party to or in any way interested in the above entitled matter. Gwyn Pang

aka, Notary Public of the First Judicial Circuit, State of Hawaii

OWNER'S NOTICE OF COMPLETION OF CONTRACT

NURGE IS HEREPY
GIVEN that pursuent to
the Provisions of Section
507-43, of the Hawail
Revised Statutes, the
construction by Doug
Pickets Construction of
that certain Single Family
Residence situated at
5-783-4 Kuthic Hay,
Hanalel, Hawail, Tark: 5-9005-025, has been
competed.
Mathew & Justin Malerich
Owner(e)
(TGI1082696 1/13,
1/20/18)

Expires 3/16/18

Ad# 0001062696

My commission expires: Jan 06 2020

Subscribed to and swom before me this 22 day of

SP.NO.:

L.N.